



Norman H. Bangerter
Governor

Dee C. Hansen
Executive Director

Dianne R. Nielson, Ph.D.
Division Director

State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340

DOGM
MINERALS PROGRAM
FILE COPY

August 3, 1989

CERTIFIED RETURN RECEIPT REQUESTED
P 075 063 179

Mr. William D. Moeller
Chief Executive Officer
American Consolidated Mining Company
405 South 100 East, Suite One
Pleasant Grove, Utah 84062

Dear Mr. Moeller:

Re: Notice of Violation of the Mined Land Reclamation Act, Yellow Hammer Mine,
M/045/019, Tooele County, Utah

This letter is to inform you that because of your failure to complete your Notice of Intention on the Yellow Hammer Mine by failing to post a bond for reclamation, American Consolidated is in violation of the Mined Land Reclamation Act. This letter notifies you that if the bond is not posted with the Division of Oil, Gas and Mining within 30 days of your receipt of this letter, the Tentative Approval of your Notice of Intention (NOI) will be withdrawn, and you will be required by law to immediately begin reclamation of the Yellow Hammer site. You are also hereby on notice that if you fail to file a bond or immediately commence reclamation, you may be liable for civil penalties in the amount of up to \$10,000 per day, calculated from the beginning of the violations.

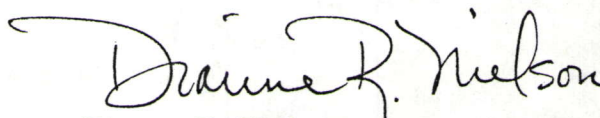
The Division has made efforts in the past to work with you on this problem. Because of your apparent lack of a good faith effort, you are now required to cease all mining and either post a bond, or begin immediate reclamation. Please contact the Division at the earliest possible date to inform us of your intended actions.

The Division has received your July 26, 1989, exploration application for American Consolidated's recent unpermitted activities in the Clifton Mining District. The review of this NOI application will be coordinated with the Bureau of Land Management. If the surface disturbances associated with the exploration project exceeds 5 acres, you will be required to post a reclamation surety for those disturbances as well. If you are not prompt in your actions on this issue, these areas will also be in violation of the Mined Land Reclamation Act, will require immediate reclamation, and may begin to accrue civil penalties.

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William D. Moeller
M/045/019
August 1, 1989

Your immediate attention to these matters is encouraged.

Sincerely,

A handwritten signature in dark ink, reading "Dianne R. Nielson". The signature is fluid and cursive, with the first name "Dianne" being more prominent and the last name "Nielson" following in a similar style.

Dianne R. Nielson
Director

cc: Steve Brooks, BLM, Pony Express RA
B.W. Roberts, Asst. Attorney General
Lowell Braxton, DOGM
Wayne Hedberg, DOGM
MN3/57-58